

FISCAL NOTE

SB 2536 - HB 3204

February 17, 2000

SUMMARY OF BILL: Requires non-TennCare HMOs to pay any claim made by a contract provider within 35 days of receipt. If the HMO denies the claim they must notify the provider within 35 days. The maximum amount of time for an HMO to investigate, deny or pay any claim would be 120 days from receipt. An overdue payment would bear simple interest of 10 percent a year. The bill allows providers to appeal to the Department Commerce and Insurance to determine if an HMO inappropriately failed to pay a claim. Final action by the commissioner on disputed claims would be subject to judicial review and allows civil penalties of not more than \$10,000.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures -\$90,800 Recurring
\$6,000 One-Time**

Increase State Revenues – Not Significant

Assumes a need for two staff positions and associated costs within the Department of Commerce and Insurance. Assumes a not significant increase in civil penalties.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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